GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:690
ANSWERED ON:21.02.2003
VALUE OF RUPEE
DHANI RAM SHANDIL

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the value of rupee against the major foreign currencies as on date;

(b) the number of times the value of rupee fluctuated during the last two years;

(c) the reasons for fall in the value of rupees; and

(d) the measures taken to stablise the value of rupee and to ensure that it rallies in relation to other currencies?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a): The exchange rate of rupee vis-â€¦-vis the major currencies as on February 14, 2003 is given below:

(i)	Rs/US $	47.86
(ii)	Rs/Euro	51.91
(iii)	Rs/Pound Sterling	77.64
(iv)	Rs/100 Japanese Yen	39.76

(b): The movements in the exchange rates are market determined. The rupee fluctuates daily against the various foreign currencies depending upon the demand and supply conditions in the foreign exchange market.

(c): The movement of rupee against the major currencies during the last six months (August 2002 to January 2003), indicates that the rupee has depreciated against the Pound Sterling and the Euro by 3.6 percent and 8.5 percent respectively, and has appreciated against US $ and Japanese Yen by 1.2 percent and 1.1 percent respectively. The movements in the exchange rate of rupee vis-a-vis other currencies depend on the demand and supply conditions in the foreign exchange market.

(d): India`s current exchange rate policy focussing on management of volatility without a fixed rate of target and allowing the underlying demand and supply conditions to determine the exchange rate movement in an orderly way has stood the test of time. Despite unexpected adverse developments on the external and domestic front, India`s external situation has remained satisfactory. The Reserve Bank of India continues to follow the approach of watchfulness,caution and flexibility, by closely monitoring the developments in the financial markets at home and abroad, and takes appropriate monetary, regulatory and other measures as considered necessary from time to time.